

# WILLKIE FARR & GALLAGHER

DOCKET FILE COPY ORIGINAL

Three Lafayette Centre  
1155 21st Street, NW  
Washington, DC 20036-3384

202 328 8000  
Fax: 202 887 8979

BY HAND DELIVERY

January 31, 2000

Ms. Magalie Roman Salas  
Secretary, Office of the Secretary  
Federal Communications Commission  
The Portals, TW-B-204  
445 Twelfth St., S.W.  
Washington, D.C. 20554

RECEIVED

JAN 31 2000

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

Re: Petition to Deny of Sprint Communications Company  
L.P. in CC Docket. No. 00-4

Dear Ms. Salas:

Enclosed please find the original, six copies, and an electronic, read-only version of the Petition to Deny of Sprint Communications Company L.P. in the above-referenced proceeding. Twelve copies are also being submitted to Janice Myles, Policy and Program Planning Division, Common Carrier Bureau. At the same time, paper copies are being provided to the Department of Justice, the Public Utility Commission of Texas, and ITS, as indicated on the attached certificate of service.

Please do not hesitate to telephone me at 202/429-4781 if you have any questions regarding this submission. Thank you.

Best regards,

*A. Renée Callahan*

A. Renée Callahan

Enclosures

cc: Attached service list

No. of Copies rec'd  
List ABCDE

Washington, DC  
New York  
Paris  
London

BEFORE THE  
Federal Communications Commission  
WASHINGTON, D.C.

In the Matter of )  
 )  
Application by SBC Communications Inc., )  
Southwestern Bell Telephone Company, )  
And Southwestern Bell Communications )  
Services, Inc. d/b/a Southwestern Bell )  
Long Distance for Provision of In-Region )  
InterLATA Services in Texas )

CC Docket No. 00

**RECEIVED**  
**JAN 31 2000**  
FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

PETITION TO DENY OF SPRINT COMMUNICATIONS COMPANY L.P.

**WILLKIE FARR & GALLAGHER**  
Three Lafayette Centre  
1155 21st Street, N.W.  
Washington, D.C. 20036  
(202) 328-8000

Attorneys for Sprint  
Communications Company L.P.

Dated: January 31, 2000

## TABLE OF CONTENTS

	PAGE
TABLE OF CONTENTS .....	i
TABLE OF APPENDICES .....	iii
INTRODUCTION AND SUMMARY .....	1
I. SWBT FAILS TO PROVIDE NONDISCRIMINATORY ACCESS TO SEVERAL IMPORTANT OSS FUNCTIONALITIES. ....	8
A. The Commission Cannot Rely On Third-Party Testing In Texas As It Did In New York. ....	11
B. SWBT's High Rejection Rates And Untimely Rejection Notices Prevent CLECs From Obtaining Nondiscriminatory Access To SWBT's Ordering Systems. ....	15
C. SWBT Fails To Provide Nondiscriminatory Access To Its Ordering Systems For Updating LIDB. ....	22
D. Other Problems With SWBT's Ordering Systems. ....	25
E. SWBT Provides Discriminatory Access To Its Maintenance And Repair Systems. ....	27
II. SWBT DOES NOT PROVIDE UNBUNDLED LOOPS ON A NONDISCRIMINATORY BASIS. ....	29
A. SWBT Does Not Provide Nondiscriminatory Access To Clean Copper Loops And Cannot Rely On The "Nascent Services" Exception Established In The <u>New York Order</u> . ....	30
1. SWBT Does Not Provide Nondiscriminatory Access To xDSL-Capable Loops. ....	32

TABLE OF CONTENTS  
CONTINUED

	PAGE
2. SWBT Cannot Rely On The "Nascent Services" Exception Established In The <u>New York Order</u> . . . .	44
B. SWBT Does Not Provide Coordinated Cutovers In A Manner That Allows An Efficient Competitor To Compete. . . . .	49
C. SWBT's Application Is Defective Because SWBT Has Refused To Comply With Its Obligation, Effective During The Pendency Of This Application, To Provide Line Sharing. . . . .	57
III. SWBT FAILS TO PROVIDE NONDISCRIMINATORY ACCESS TO INTERCONNECTION TRUNKS ON A CONSISTENT BASIS. . . . .	61
IV. GRANT OF SWBT'S APPLICATION AT THIS TIME IS INCONSISTENT WITH THE PUBLIC INTEREST. . . . .	64
A. The Effects Of The SBC/Ameritech Merger Must Be Factored Into The Public Interest Inquiry. . . . .	66
B. The Effects On The Local Markets Alone Dictate The Conclusion That Relief Would Be Contrary To The Public Interest. . . . .	73
C. The Effects On The InterLATA Market Also Require Denial Of The Application. . . . .	79
D. The Commission's Public Interest Inquiry Appropriately Includes The Substantial Evidence Of Repeated Misconduct By SWBT Against CLECs. . . . .	83
CONCLUSION . . . . .	86

TABLE OF APPENDICES

TAB

Hayes, Jayaratne & Katz, "An Empirical Analysis  
Of The Footprint Effects of Mergers Between  
Large ILECs," attached to Ex Parte Letter  
from Willkie Farr & Gallagher, CC Dkt. Nos.  
98-141 & 98-184 (filed Apr. 2, 1999)  
(public interest inquiry)\*

A

---

The ex parte letter and attached legal memoranda are provided in electronic form. "An Empirical Analysis Of The Footprint Effects of Mergers Between Large ILECs" and materials supporting the two legal memoranda are on file with the Commission. These materials may also be accessed by searching the Commission's web site <www.fcc.gov> for Sprint's April 2, 1999 submission in CC Docket No. 98-141.

BEFORE THE  
Federal Communications Commission  
WASHINGTON, D.C.

In the Matter of )  
 )  
Application by SBC Communications Inc., ) CC Docket No. 00-4  
Southwestern Bell Telephone Company, )  
And Southwestern Bell Communications )  
Services, Inc. d/b/a Southwestern Bell )  
Long Distance for Provision of In-Region )  
InterLATA Services in Texas )

**PETITION TO DENY OF SPRINT COMMUNICATIONS COMPANY L.P.**

Sprint Communications Company L.P. ("Sprint"), by its attorneys, hereby petitions the Commission to deny the above-captioned application of SBC Communications Inc., Southwestern Bell Telephone Company, and Southwestern Bell Communications Services, Inc. d/b/a Southwestern Bell Long Distance (together "SWBT").

**INTRODUCTION AND SUMMARY**

While SWBT has tried hard to demonstrate that its Section 271 application for Texas meets or exceeds the Bell Atlantic New York application, the facts tell a different story. SWBT has certainly met many of its checklist obligations. Of course, to the extent that this is the case, the people of Texas have the Public Utility Commission of Texas ("PUCT") to thank, not SWBT. But even the exemplary work of the PUCT is as yet incomplete.<sup>1</sup>

---

<sup>1</sup> See generally Investigation Of Southwestern Bell Telephone Company's Entry Into The Texas InterLATA Telecommunications

There are several critical respects in which SWBT has not met the requirements of Section 271.

Most fundamentally, SWBT has not demonstrated that it provides competitive local exchange carriers ("CLECs") with nondiscriminatory access to its operations support systems ("OSS"). In reviewing the access SWBT offers to its OSS, the Commission cannot rely on the Telcordia tests in Texas as it did the KPMG test in New York. The Telcordia tests covered a narrow subset of OSS systems; Telcordia did not (unlike KPMG) assume the role of a CLEC in those tests; and, in any event, the conclusions reached by Telcordia as to the readiness of SWBT's OSS are not even supported by the results of the Telcordia tests.

In the absence of reliable third-party or carrier-to-carrier testing, the Commission must look to commercial usage to determine whether SWBT provides nondiscriminatory access to its OSS. Unfortunately, in the commercial setting, SWBT's electronic interfaces have been plagued by extremely high rejection rates. At least one in four orders sent over its electronic interfaces is rejected by SWBT's systems. SWBT tries to lay the blame for these high rejection rates on CLECs. In fact, the evidence indicates that the much more likely explanation is that the high rejection rates are caused by a combination of SWBT's failure to

---

Market, Proj. No. 16251 (PUCT). Unless otherwise indicated, all materials cited in this petition are contained in Project No. 16251's record.

assist CLECs adequately in understanding its OSS and chronic problems with SWBT's legacy systems in processing CLEC orders.

Just as troubling is the extent to which SWBT relies on manual processing to handle rejection notices. The evidence indicates that increased volumes of rejections have strained SWBT's ability to manually process rejection notices, causing those notices to be delivered to CLECs more and more slowly. CLEC customers, meanwhile, must wait longer and longer to receive service from their new carriers.

But there are many other problems with the access SWBT provides to its OSS. SWBT fails to provide nondiscriminatory access to its Line Information Database ("LIDB") ordering functionality. SWBT requires CLECs on an apparently large number of orders to fax manual local service requests ("LSRs") to ensure that the components of the requests (e.g., different types of loops) do not become disassociated within SWBT's OSS (sometimes causing different loops to be provisioned to the customer on different days). Just to complete the picture, the performance data shows that SWBT fails to provide CLECs with nondiscriminatory access to its maintenance and repair systems.

In addition, SWBT does not provide access to loops on just, reasonable and nondiscriminatory terms as is required under the checklist. First, SWBT has not met the legal standard for xDSL-capable loops. Its reliance on the Telcordia test to show compliance is unpersuasive since that test dealt only with ADSL



and ISDN and in any event uncovered serious problems even with these offerings. The relevant performance data shows even more clearly that SWBT simply has not provided CLECs with clean copper loops as quickly or as reliably as it provides those loops to itself. No doubt aware that this record could not support a finding of compliance, SWBT agreed just before filing this application to provide a range of commitments designed to improve its xDSL offering. But these commitments are essentially irrelevant to this proceeding since SWBT is not legally bound (by an approved interconnection agreement, SGAT or any other binding commitment) to provide them. Equally irrelevant are the separate affiliate and surrogate line sharing requirements of the SBC/Ameritech conditions since the Commission has expressly held that those requirements are not to be used to show Section 271 compliance.

Nor can SWBT now rely on the argument (which the Commission found persuasive in New York) that it cannot be expected to have met the legal requirement for xDSL loops since xDSL is a "nascent service" in Texas. In fact, the only reason xDSL remains in its nascent stage in Texas is that SWBT successfully delayed competitive xDSL entry by abusing the discovery process in the Covad/Rhythms arbitration.

The second major problem area for loops lies in SWBT's failure to provide hot cuts in a manner that allows an efficient entrant an opportunity to compete. The simple fact is that

SWBT's hot cuts have resulted in a higher percentage of service outages than the Commission indicated was permissible under the checklist standard in the New York Order.<sup>2</sup> Moreover, other aspects of SWBT's hot cut performance indicate that it would simply not be possible to compete relying on SWBT's wholesale performance in this area.

Third, SWBT does not provide line sharing. The Commission has long held that an applicant must demonstrate that it will comply with any relevant legal obligations that become effective while its application is pending. The rules established in the Commission's recent Line Sharing Order will become effective next week.<sup>3</sup> SWBT's failure to comply with these rules constitutes an independent and sufficient basis for rejecting this application.

In addition to problems with OSS and loops, SWBT also has not consistently provided interconnection trunks on a nondiscriminatory basis. While SWBT's performance has generally improved during the past month or two, it is not clear that severe problems evidenced in the summer and early fall, especially with trunk blockage, have been remedied. Given the

---

<sup>2</sup> Applications by Bell Atlantic New York for Authorization Under Section 271 of the Communications Act to Provide In-Region, InterLATA Service in the State of New York, CC Dkt. No. 99-295, Memorandum Opinion & Order ¶ 309 (rel. Dec. 22, 1999) (FCC 99-404) ("New York Order").

<sup>3</sup> See Deployment of Wireline Services Offering Advanced Telecommunications Capability, CC Dkt. No. 98-147, Third Report & Order (rel. Dec. 9, 1999) (FCC 99-355) ("Line Sharing Order").

critical importance of interconnection trunks to CLECs, a more consistent and sustained showing of nondiscriminatory access must be demonstrated before Section 271 authority may be granted.

Finally, in no event can the Commission conclude that it would be in the public interest to grant the instant application. The situation here is very different than it was in New York. In Texas, the facts show that the Commission should err on the side of withholding in-region interLATA approval until it is absolutely clear that all of the local entry barriers covered by the checklist have been lowered.

This is so for several fundamental reasons. First, as the Commission recognized in its order approving SBC's acquisition of Ameritech, that transaction resulted in a marked increase in the merged entity's incentives and opportunities to degrade the quality of wholesale service it provides to CLECs. Simply put, with a larger number of systems under its control, SWBT can capture more of the benefits of anticompetitive behavior. With fewer large ILECs remaining, the Commission will have fewer benchmarks for comparing SWBT's behavior, thus diminishing regulatory effectiveness. SWBT therefore has more to gain from anticompetitive behavior, and it is less likely to be punished for such behavior. SWBT's promises of future performance and its efforts to downplay discriminatory treatment must be understood within this broader context.

Second, there is not nearly as much competition in Texas as there is in New York. While in New York CLECs serve more than one million lines, the only reliable numbers for Texas (and SWBT's numbers are not reliable) show that CLECs serve roughly 500,000 lines. SWBT has also grossly overstated the number of residential lines served by CLECs in Texas. It appears that the true number of residential lines served by facilities-based CLECs is a small fraction of the 73,000 reported by SWBT. In New York, the Commission felt comfortable discounting checklist compliance problems in light of the substantial level of CLEC entry in the state. Given that competitive entry in Texas is much smaller than in New York (the less populous state), a more rigorous approach is warranted here.

There can also be no question that the long distance market will be harmed if SWBT is permitted to enter before meeting all of the Section 271 requirements. Premature approval will allow SWBT to offer service bundles while its competitors are prevented from doing so. In addition, while the long distance market is subject to significant and ever-increasing levels of competition, premature Bell Operating Company ("BOC") entry would stunt these developments by introducing a competitor with the ability and incentive to discriminate in the provision of essential inputs and to cross-subsidize its long distance prices.

Finally, the Commission cannot overlook SWBT's long history of slow rolling competitive entry. In New York, the Commission

dismissed claims that Bell Atlantic had refused to cooperate in certain cases because the record did not establish a systematic attempt to delay entry. The situation in Texas is again very different. Even while pursuing its Section 271 approval at the state level, SWBT attempted to avoid complying with the law wherever possible. Its successful delay of xDSL competition speaks volumes about SWBT's approach. The only way competition will endure in Texas is if Section 271 approval is withheld until the day when CLECs have sunk enough costs in competitive entry and performance measures and reporting have been so well established that SWBT can no longer dictate the pace of competition. That day has not yet come.

**I. SWBT FAILS TO PROVIDE NONDISCRIMINATORY ACCESS TO SEVERAL IMPORTANT OSS FUNCTIONALITIES.**

Section 271(c)(2)(B) requires that a BOC provide nondiscriminatory access to network elements. 47 U.S.C. § 271(c)(2)(B)(ii). The Commission has ruled that this obligation (as well as other checklist requirements such as those covering resale and specific UNEs) includes the requirement that a BOC provide nondiscriminatory access to its OSS. New York Order ¶ 84. Pursuant to this requirement, for OSS functions that are analogous to functions the BOC performs for itself, a BOC must provide access to its OSS that permits competing carriers to perform these functions in "substantially the same time and manner" as the BOC. Id. ¶ 85. For OSS functions that are not

analogous to those performed by the BOC for itself, the BOC must offer access that is "sufficient to allow an efficient competitor a meaningful opportunity to compete." Id. ¶ 86.

In making these determinations, the Commission considers first whether the BOC "has deployed the necessary systems and personnel to provide sufficient access to each of the necessary OSS functions and whether the BOC is adequately assisting competing carriers to understand how to implement and use all of the OSS functions available to them." Id. ¶ 87. To adequately assist carriers, the "BOC must disclose to competing carriers any internal business rules, and other formatting information necessary to ensure that a carrier's requests and orders are processed efficiently." Id. ¶ 88. Second, the Commission considers "whether the OSS functions that the BOC has deployed are operationally ready, as a practical matter." Id. ¶ 87.

Like the Bell Atlantic Section 271 application for New York, the instant application includes data indicating that a large percentage of CLEC orders delivered over the BOC's electronic interfaces do not "flow-through" to the BOC's legacy OSS. In Texas, the concern revolves most seriously around the fact that more than one in four CLEC orders sent over SWBT's Electronic Data Interchange ("EDI") and LSR Exchange System ("LEX") interfaces are rejected. In Section 271 orders preceding the New York Order, the Commission relied upon flow-through problems (albeit even worse than exist in Texas) as indicative of a range

of other problems that accompany the inability to flow orders through the BOC's OSS consistently and without manual intervention.<sup>4</sup> Most fundamentally, where CLECs cannot rely on electronic access to submit service orders, the Commission has found that there is a strong likelihood that CLECs cannot obtain access to ordering systems in as timely a manner as the BOC itself, that consequent reliance on manual handling increases the likelihood that the quality of CLECs' access to ordering systems will be lower than the BOC provides itself, and that both of these factors will become more serious as order volumes increase. See Second Louisiana Order ¶¶ 107-110.

In the New York Order, the Commission concluded that it need not focus on flow-through issues because Bell Atlantic had demonstrated that, among other things, it adequately assisted competing carriers to understand how to implement and use all of the OSS functions available to them; it provided timely confirmation and rejection notices; it was able to accurately process manually handled orders; and it could scale its systems to meet increased demand. See New York Order ¶ 163. In reaching these determinations, the Commission relied heavily upon the KPMG third-party testing performed in New York to augment the

---

<sup>4</sup> See, e.g., Application of BellSouth Corp. for Provision of In-Region, InterLATA Services in Louisiana, 13 FCC Rcd. 20599, ¶ 107 (1998) ("Second Louisiana Order").

performance data provided by Bell Atlantic. See id. ¶¶ 168-169, 189.

Many of the factors relied upon by the Commission in its New York Order are absent in Texas. As explained below, the Commission cannot rely on the Telcordia test as it did the KPMG test in New York. It is also far from clear that SWBT is adequately assisting CLECs in understanding its systems or that SWBT is now or will in the future provide timely order status notices (especially rejection notices). These and other factors discussed below demonstrate that SWBT does not provide nondiscriminatory access to its OSS.

**A. The Commission Cannot Rely On Third-Party Testing In Texas As It Did In New York.**

In the New York Order, the Commission stated that the "scope and depth" of the KPMG review as well as KPMG's "independence, military test-style philosophy, efforts to place themselves in the position of an actual market entrant, and efforts to maintain blindness whenever possible" all led the Commission to rely on the KPMG study as "persuasive evidence" that Bell Atlantic's OSS complied with the Commission's requirements. See id. ¶ 100. The Commission emphasized, however, that it would not be able to place the same reliance on a third-party test that is "less comprehensive, less independent, less blind." Id. Telcordia's tests were neither as comprehensive nor as "blind" as the KPMG test. The Commission cannot therefore place the kind of reliance



it placed on the KPMG test to minimize concerns otherwise raised by SWBT's performance in providing access to its OSS.

The Telcordia tests were far less comprehensive than the KPMG test both in terms of the aspects of OSS they covered and the depth with which they reviewed the covered areas. As SWBT explains, the Telcordia tests were designed to address issues that the PUCT had not considered resolved during the Texas OSS Collaborative Process. See Ham Aff. ¶ 262. In addition, the types of orders selected for testing and the interfaces used were dictated by the business plans of the CLEC participants and the extent to which they had built to a specific interface. As a result, many basic aspects of CLEC access to SWBT's OSS were excluded from the study. For example, the tests covered DataGate and Verigate for pre-ordering and LEX for resale ordering; EDI was not used in the test for either pre-ordering or resale ordering. The number of functionalities within a category (pre-ordering, ordering, etc.) was also limited. For example, the ordering tests focused on a limited, although an important, subset of order types such as resale, UNE-Platform ("UNE-P"), UNE-Loop ("UNE-L"), UNE-L with number portability, and LIDB record claiming.<sup>5</sup>

---

<sup>5</sup> See Investigation Of SWBT's Entry Into The Texas InterLATA Telecommunications Market, Proj. No. 20000, Telcordia Technologies, Southwestern Bell OSS Readiness Report at 37 (PUCT Sept. 1999) ("Telcordia Final Report").

Furthermore, unlike KPMG, Telcordia did not attempt to place itself "in the position of an actual market entrant" by assuming the role of a "pseudo CLEC." Compare New York Order ¶ 100, with Telcordia Final Report at 15, and Ham Aff. ¶ 260. Rather, Telcordia merely observed and attempted to analyze the results of carrier-to-carrier testing performed by CLECs and SWBT. Because of its role as an observer rather than an actual participant, Telcordia was simply not as intimately involved in the testing process as it would have been had it assumed the role of a CLEC.

As a consequence, unlike KPMG, Telcordia did not attempt to build its own interfaces using SWBT's documentation and send its own test requests over those interfaces to the BOC's OSS. See Ham Aff. ¶ 260. Telcordia did conduct a special study of SWBT's documentation in which it used the SWBT EDI information resources, documentation, and human resources to create EDI LSRs and their associated EDI records.<sup>6</sup> But even this process covered only ordering functionalities and, within ordering, it was limited to EDI LSRs for UNE-L, number portability, and resale with hunting. See Telcordia EDI/LSR Report at 9. Telcordia reports that the LSRs it created "passed the EDI syntax test." See id. But it appears that the test did not determine whether the LSRs were rejected or fell out for manual processing because

---

<sup>6</sup> See Investigation Of SWBT's Entry Into The Texas InterLATA Telecommunications Market, Proj. No. 20000, Telcordia Technologies, Southwestern Bell EDI/LSR Documentation Analysis (PUCT Dec. 1999) ("Telcordia EDI/LSR Report").

of problems with SWBT's ability to handle such issues as related purchase order numbers ("RPONs") or LSRs requiring edits after the EDI edit (e.g., edits in Southwestern Order Retrieval and Distribution ("SORD"), both of which are discussed below. Thus, while it reviewed a broad range of SWBT documentation in its studies, Telcordia actually relied on that documentation as a CLEC would to interact with SWBT's OSS in an extremely limited set of circumstances.

Furthermore, in its Final Report Telcordia recognized serious problems experienced with SWBT's OSS during the retest phase, and then closed these issues with virtually no analysis as to whether the problems had been resolved. Illustrative examples are: (1) late provisioned orders, see Telcordia Final Report, Issue No. UL-RT-15, Attachment A at A59-A60; (2) failure to provide a service order confirmation notice, id., Issue No. UL-RT-16, Attachment A at A60-A61; (3) untimely responses from LSC or LOC to CLEC inquiries regarding clarifications on SWBT's ordering processes, see id., Issue No. UL-RT-13, Attachment A at A-55; and (4) lost dial tone due to a mislabeled circuit, see id., Issue No. UL-RT-14-404, Attachment A at A57-A58.

In light of the limited "scope and depth" of the Telcordia tests, the fact that Telcordia did not in fact use a "military test-style" approach, and that it did not assume the role of "an actual market entrant," it is difficult to place much reliance on Telcordia's test results. The tests overseen by Telcordia are

helpful largely as a documented source of the many problems identified by CLECs both during the test and in commercial contexts. Unfortunately, SWBT has generally not been required to solve those problems, but has instead been able to ignore them or address them with interim and clearly inadequate solutions while long-term fixes remain pending. It is clear therefore that the Commission cannot place the kind of evidentiary weight on Telcordia's conclusions as to the readiness of SWBT's OSS that it placed on the findings of KPMG in New York. In no event can the Commission give any serious credit to Telcordia's conclusion in its Final Report that SWBT's systems are operationally ready to support commercial volumes and that SWBT provides nondiscriminatory access to its OSS.

**B. SWBT's High Rejection Rates And Untimely Rejection Notices Prevent CLECs From Obtaining Nondiscriminatory Access To SWBT's Ordering Systems.**

In the absence of credible and comprehensive third-party or carrier-to-carrier testing, the Commission must rely on "commercial usage," which is in any event the "most probative type of empirical evidence when considering whether a BOC has met its burden of demonstrating compliance with [the] checklist."<sup>7</sup> The evidence of commercial usage in Texas shows extremely high rejection rates, and a dangerously high level of manual

---

<sup>7</sup> See Application of Ameritech Michigan to Provide In-Region, InterLATA Services in Michigan, 12 FCC Rcd. 20543, ¶ 161 (1997) ("Michigan Order").

processing. In addition, the evidence indicates that reliance on such manual processing has prevented SWBT from providing rejection notices and, to a lesser extent, confirmation notices in a timely manner.

A very large percentage of CLEC orders delivered over SWBT's electronic interfaces results in rejections. For example, the overall percentage of CLEC orders rejected by EDI was 38.2% in July, 19.8% in August, 16.9% in September, and 24% in October. See Ham Aff., Attachment B at 27. The percentage of rejections for LEX orders was 23.4% in July, 24% in August, 25% in September, and 42.8% in October. See id.

SWBT bears the burden of proof to demonstrate that problems in its own documentation and internal OSS have not caused these high rejection rates. It has not met this burden. As an initial matter, given the absence of any comprehensive testing of SWBT's documentation as described above, it is difficult to know whether in fact this level of rejections is due to SWBT's failure to provide CLECs with the kind of assistance they need to avoid high rejection rates. In this regard it is also a serious problem that Texas (unlike New York)<sup>8</sup> has not instituted performance measures to track the extent to which SWBT follows the applicable

---

<sup>8</sup> See New York Order ¶ 439 n.1341 ("In particular, we applaud the New York Commission and Bell Atlantic for addressing the very important issue of change management by designing metrics that measure Bell Atlantic's compliance with its change management processes and give the company incentives to satisfy performance standards in the area.").

change management procedures for changing the relevant documentation.

SWBT argues that high rejection rates are caused by CLEC incompetence. It relies on the fact that rejection rates for individual CLECs using EDI in September and October ranged from 0% to 93.9%. See Ham Aff. ¶ 126. SWBT argues that this is just the kind of evidence that the Commission relied upon in the New York Order to conclude that Bell Atlantic's systems were "capable" of achieving high flow-through. See New York Order ¶ 166. But the information provided by SWBT cannot bear the burden asked of it. It is almost always the case that some types of LSRs (e.g., for POTS resale) are less commonly rejected than others. It is entirely possible that the CLEC with a 0% reject rate did not order the types of services for which rejections have been a problem. It is also possible that the CLEC in question did not have a large volume of orders and its experience is as much a result of chance as skill. In any event, without information regarding the type and volume of the orders submitted over EDI by the CLECs in question, it is impossible to determine the probative value of the information submitted by SWBT. In contrast, the flow-through rates among CLECs relied upon by the Commission in the New York Order were disaggregated by order type. See id. (relying on CLEC flow-through data for UNE-loops and UNE-P).

In this regard it is significant that during the Telcordia test, which took place in a highly controlled environment in which a working group of industry experts participated in the creation of LSRs, the rejection rates for UNE orders delivered via EDI were extremely high. Thus, 75 of 152 LSRs in the initial UNE-L test and 42 of 71 LSRs in the UNE-L retest resulted in rejected inputs. See Telcordia Final Report at 12. Similarly, 213 of the 437 LSRs in the initial UNE-P test and 63 of the 121 LSRs in the UNE-P retest resulted in rejects. See id. Unlike New York, where third-party testing showed that Bell Atlantic's systems were at least capable of achieving high levels of flow-through, see New York Order ¶ 169, the Telcordia test in Texas seems to prove just the opposite.

SWBT concedes that its own personnel need more practice and experience in using its interfaces for flow-through to improve. See Ham Aff. ¶ 128 ("[a]s system edits are increased and users (both SWBT and CLEC) gain more experience, the quality of input increases and the amount of fallout decreases") (emphasis added). For example, SWBT states that its flow-through for CLEC resale via EASE, which has handled transactions since 1992, is high, in large part because of the over 3,000 edits that have been added over time. See id. This of course just demonstrates that it takes time to implement interfaces that can support high flow-through rates. It should come as no surprise therefore that SWBT's EDI gateway, which "has just recently begun to handle

commercial volumes of transactions (as of July 1998)" would still exhibit high rejection rates. Id.

There is also evidence that a large number of rejections are caused by problems with SWBT's legacy OSS. In the Michigan Order, the Commission found that Ameritech failed to provide nondiscriminatory access to its OSS in part because a significant percentage of orders processed manually by Ameritech were "orders that the interface accepts, but that could not be processed into the legacy systems without additional changes or edits being made to the orders." Michigan Order ¶ 175. SWBT has precisely this problem. SWBT employs three editing steps in its review of CLEC LSRs: Local Access Service Request ("LASR") edits, Mechanized Order Generator ("MOG") edits and SORD edits. Errors detected in the first two steps that are deemed "fatal" to an order result in electronic rejections sent to the CLEC. However, other errors that pass through LASR and MOG still fall out for manual handling when those errors are detected by SORD.

Rather than being processed, however, these orders with SORD errors are rejected. An SWBT representative (the Local Service Center ("LSC") representative) manually prepares a rejection notice that is then sent electronically to the CLEC. See Ham Aff. ¶ 148. Since these rejections take place after an order has passed through the electronic interface, there is apparently nothing a CLEC can do to prevent them from falling out for manual rejection. This process cannot be eliminated until SWBT



completes the process of moving SORD edits up to the LASR and MOG phases of the process. Most disturbingly, the volume of orders falling out because of failure to meet SORD edits grew from 3,658 in July to 6,535 in November.

To make matters worse, SWBT has not even been able to notify CLECs of rejections on these orders in a timely fashion, and its performance has worsened as volume has increased. The PUCT has established two performance measures for evaluating SWBT's performance in the electronic return of manual rejects due to editing rejects in SORD. First, PM 10.1 measures the percentage of manual rejects caused by SORD edits on orders received electronically that are returned within five hours of the receipt of the LSR from the CLEC. The PUCT has established a benchmark of 97% for compliance with this category. See Dysart Aff., Attachment A at 30. SWBT met the five hour limit for 81.4%, 76.1%, 69.6%, 59.5%, and 65.1% of the relevant rejects from July through November. See id., Attachment B at 28, Attachment R. Second, PM 11.1 measures the mean time to return manual rejects caused by SORD edits for orders received via LEX or EDI from CLECs. See id., Attachment A at 32. The PUCT established a benchmark of five hours for the return of rejection notices. See id. From July through November, the average time to return manual rejects has been 6.86 hours, 6.17 hours, 8.13 hours, 10.10 hours, and 14.9 hours. See id., Attachment B at 28, Attachment